

FEDERAL COMMUNICATIONS COMMISSION

Washington, D. C. 20554

OCT 22 2004

TOM PUTMAN
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OFFICE OF
MANAGING DIRECTOR

J. Keith Davidson
Executive Vice President / Chief Financial Officer
SouthTel Communications, L.P.
Annapolis, MD 21401

Re: Request for Waiver of Late Payment
Penalty for Fiscal Year 2003 Regulatory Fee
Fee Control No. 00000RROG-04-064

Dear Mr. Davidson:

This is in response to your request dated June 28, 2004 for waiver of the penalty for late payment of your fiscal year (FY) 2003 regulatory fees for SouthTel Communications, L.P. (SouthTel). Our records indicate that your fee payment of \$2,649.90 was received on January 14, 2004 but that we have not yet received your late payment penalty of \$662.47.

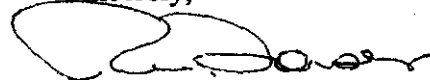
You state in your request that due to your current financial situation, you are unable to remit payment. You state that you do not have the funds for the expenditure at this time and that you will not in the immediate future. You explain that the SouthTel cable television systems operate in rural communities throughout the country, that several of those systems are pending repossession by the banks that own their loans, and that you have very lean budgets for these operating systems. You state further that your only option to increase your revenue would be to raise your monthly subscription rates but that you do not think it would be fair to pass along your financial difficulties to your loyal customers in low income, rural communities.

Section 9(c) of the Communications Act of 1934, as amended, requires the Commission to assess a late payment penalty of 25 percent on any regulatory fee not paid in a timely manner. It is the obligation of the licensees responsible for regulatory fee payments to ensure that the Commission receives the fee payment no later than the final date on which regulatory fees are due for the year. We find that SouthTel did not file its FY 2003 regulatory fee by September 25, 2003, the final date of the filing window for FY 2003. See 47 C.F.R. §1.1157; *see also Assessment and Collection of Regulatory Fees for Fiscal Year 2003*, Report and Order, 18 FCC Rcd 15, 985 (2003) (2003 Report and Order); 47 U.S.C. §159. The Commission issued public notices announcing the date on which the FY 2003 regulatory fees were due. See Public Notice, *Regulatory Fees Due September 24, 2003*, DA 03-2557 (July 30, 2003); Public Notice, *Federal Communications Commission Extends the Filing Deadline Date of FY 2003 Regulatory Fee*, DA 03-2907 (Sept. 22, 2003) (extending deadline to September 25, 2003). We therefore deny your request for waiver of the penalty for late payment of the FY 2003 regulatory fee.

On August 24, 2004, you submitted evidence that on August 6, 2004, SouthTel filed for bankruptcy in the United States Bankruptcy Court in the Northern District of Alabama. Since this bankruptcy filing occurred subsequent to the filing deadline for FY 2003 regulatory fees, it does not impact SouthTel's FY 2003 regulatory fees or the penalty for late payment of those fees. For FY 2004, however, the Commission will consider waiver of SouthTel's regulatory fees on a sufficient showing of financial hardship, and evidence of bankruptcy or receivership is sufficient to establish financial hardship. *See Implementation of Section 9 of the Communications Act*, 10 FCC Rcd, 12,759, 12761-62 (1995) (waivers granted for licensees whose stations are bankrupt, undergoing Chapter 11 reorganization, or in receivership). You will need to submit a separate request for waiver of the FY 2004 regulatory fees that references the bankruptcy filing.

Payment of SouthTel's late payment penalty of \$662.47 for FY 2003 is now due. The late payment penalty must be filed together with a Form 159 (copy enclosed), within 30 days from the date of this letter. If you have any questions concerning this matter please contact the Revenue and Receivables Operations Group at (202) 418-1995.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark A. Reger", written over a horizontal line.

Mark A. Reger
Chief Financial Officer

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June 28, 2004

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Claudette E. Pride
Chief Revenue and Receivables Operations Group
Federal Communications Commission
Washington, D.C. 20554

Re: Bill No. 0420000162

Ms. Pride:

This letter is in response to the letter that we received regarding a late fee in the amount of \$662.47 for 2003 annual regulatory fees for SouthTel Communications, L.P.

Due to our current financial situation, we are unable to remit payment. We simply do not have the funds for the expenditure at this time and will not in the immediate future.

We manage SouthTel cable television systems that operate in rural communities throughout the country. Several of these systems are pending repossession by the banks that own their loans. We have very lean operating budgets for these systems.

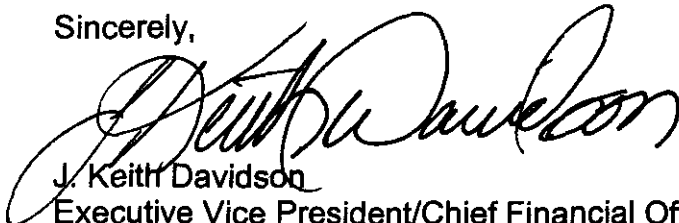
Our only option to increase our revenue, and therefore be able to pay our late fees, would be to raise monthly subscription rates. We do not feel that it would be fair to our loyal customers to pass along our financial difficulties to them, as we operate in low income, rural communities.

Please let us know if there is anything that we can do to get this late fee removed from our account history.

We regret our inability to pay and apologize for any inconvenience this may have caused.

We appreciate your understanding and assistance with this matter.

Sincerely,



J. Keith Davidson
Executive Vice President/Chief Financial Officer

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